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April 11, 2011

75964.00002

Walter E. Mugdan, Esq.
Director, Emergency & Remedial Response Division
United States Environmental Protection Agency, Region II
290 Broadway
New York NY 10007

Re: Gowanus Canal Superfund Site, Brooklyn, New York ("Site")
March 31, 2011 Notice of Potential Liability

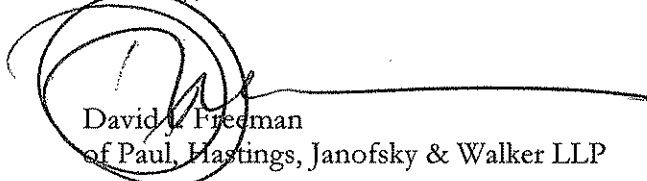
Dear Mr. Mugdan:

I am writing you as counsel to Bayside Fuel Oil Corp. and its affiliated entities (collectively, "Bayside"), which were identified as Potentially Responsible Parties ("PRPs") in your March 31, 2011 letter regarding the above-captioned Site.

As you know, Bayside has extended to EPA its full cooperation, including permission for drilling wells on its property, during the agency's Remedial Investigation. Bayside believes that the results of sampling at those wells, and others, indicate that Bayside did not dispose of any hazardous substances at the Site, much less any substances that have caused or will cause the incurrence of response costs. Moreover, the products that Bayside handles at the locations in question are exempt from Superfund liability by virtue of the petroleum exclusion in § 101(14) of CERCLA, 42 U.S.C. § 9601(14).

The above listing of Bayside's objections is without prejudice to Bayside's other rights and defenses in this matter, all of which are hereby expressly reserved.

Sincerely,



David J. Freeman
of Paul, Hastings, Janofsky & Walker LLP

DJF:ap

Paul Hastings

Mr. Walter E. Mugdan
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cc: Brian Carr, Esq.
Mr. Sergio Allegretti
Mr. Vincent Allegretti
Jesse Hiney, Esq.